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RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Second Committee (A/50/616)]

50/91. Global financial integration: challenges and opportunities

The General Assembly,

Reaffirming its resolutions S-18/3 of 1 May 1990, the annex to which contains the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and 45/199 of 21 December 1990, the annex to which contains the International Development Strategy for the Fourth United Nations Development Decade, and the Cartagena Commitment, 1/ adopted by the United Nations Conference on Trade and Development at its eighth session,

Recalling its resolution 49/93 of 19 December 1994 on net flows and transfer of resources between developing and developed countries,

Stressing the importance at the national level in the countries concerned of a favourable climate for private financial flows, sound macroeconomic policies and appropriate functioning of markets,

Recognizing that the international community should continue to give strong support to the efforts of the developing countries to solve their grave economic and social problems as well as to promote a favourable climate for private financial flows through the creation of a favourable international economic environment,

Noting with satisfaction that the process of economic growth, in a

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1/ See Proceedings of the United Nations Conference on Trade and Development, Eighth Session, Report and Annexes (TD/364/Rev.1) (United Nations publication, Sales No. E.93.II.D.5), part one, sect. A.

number of developing countries, has been positively affected by the recent increase in international private capital flows,

Commending continuing efforts made by developing countries to create a more favourable national framework and stressing that a considerable number of developing countries, in particular the least developed countries, especially in Africa, have not benefited from the aforementioned capital flows,

Expressing concern, within such a context, at the decline in real terms in the past three years in the overall level of official development assistance to developing countries,

Expressing concern also that a significant number of developing countries have become more vulnerable, in the course of liberalizing their external economic and financial regimes, to the volatile fluctuations of private capital flows in international financial markets,

Noting the necessity of promoting the creation of favourable conditions for achieving international stability in private capital flows and of preventing the destabilization arising from swift movements of private capital flows, in order, inter alia, to enhance development, in particular of developing countries,

Aware of the role of the International Monetary Fund in the promotion of a stable international financial environment conducive to economic growth, and taking into account the strengthening of the cooperative relationship between the United Nations and the Fund,

1. Stresses that global financial integration presents new challenges and opportunities for the international community and that it should constitute a very important element of the dialogue between the United Nations system and the Bretton Woods institutions;

2. Underscores the need for encouragement of private flows to all countries, in particular to developing countries, especially long-term flows, while reducing the risks of volatility;

3. Recognizes that, in a globalized world, sound fiscal and monetary policy in each country is among the elements essential in preventing crises relating to capital flows;

4. Emphasizes the need to explore ways to broaden appropriate enhanced cooperation and, where appropriate, coordination of macroeconomic policy among interested countries, monetary and financial authorities and institutions, so as to enhance preventive consultation arrangements between such institutions as a means of promoting a stable international financial environment conducive to economic growth, particularly in developing countries, taking into account the needs of developing countries as well as situations that may have a significant impact upon the international financial system;

5. Reiterates the need for broadening and strengthening the participation of developing countries in the international economic decision-making process;

6. Welcomes the steps taken by the International Monetary Fund and recognizes the need for a stronger and central role for the Fund in

surveillance of all countries, in a symmetrical manner, in accordance with paragraph 4 of the communiqué of the Interim Committee of the Board of Governors of the Fund, dated 26 April 1995, with regard to potential sources of destabilization of capital markets with a view to promoting transparency and stability in international financial markets and promoting economic growth, such surveillance including, among other elements, the regular and timely provision of economic and financial data;

7. Reaffirms the objective of promoting greater transparency and openness, including increasing participation of developing countries in the work of the International Monetary Fund, an objective that involves, among other elements, the regular and timely provision of economic and financial data by all Fund members;

8. Requests the Secretary-General to report to the General Assembly, at its fifty-first session, in cooperation with the Bretton Woods institutions and the United Nations Conference on Trade and Development, on the implementation of the present resolution.

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RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Second Committee (A/50/616)]

50/92. Enhancing international cooperation towards a durable solution to the external debt problem of developing countries

The General Assembly,

Recalling its resolutions 41/202 of 8 December 1986, 42/198 of 11 December 1987, 43/198 of 20 December 1988, 44/205 of 22 December 1989, 45/214 of 21 December 1990, 46/148 and 46/151 of 18 December 1991 and 47/198 of 22 December 1992, and reaffirming its resolutions 48/182 of 21 December 1993 and 49/94 of 19 December 1994,

Reaffirming its resolutions 48/165 of 21 December 1993 on renewal of the dialogue on strengthening international economic cooperation for development through partnership and 48/166 of 21 December 1993 on an agenda for development,

Noting the improvement in the debt situation of a number of developing countries since the second half of the 1980s and the contribution that the evolving debt strategy has made to this improvement,

Noting with appreciation the debt-relief measures undertaken by creditor countries both within the framework of the Paris Club and through their cancellation and equivalent relief of bilateral official debt, and welcoming the even more favourable terms of the debt-relief measures recently envisaged by the Paris Club, namely the Naples terms of December 1994, for the poorest and heavily indebted countries, to help them exit from the rescheduling process, thus contributing to the prospects of those countries for resuming growth and development,

Reaffirming the urgent need for effective, equitable, development-oriented and durable solutions to the external debt and

debt-servicing problems of developing countries, and to help them exit from the rescheduling process,

Emphasizing the importance for debtor countries of continuing to pursue and intensify their efforts with respect to economic reforms, stabilization and structural adjustment programmes, in order to raise savings and investments, reduce inflation and improve economic efficiency, taking into account the need to address the social aspects of development, including the eradication of poverty, and their individual characteristics, as well as the vulnerability of the poorer strata of their populations,

Stressing the urgent need for further assisting developing countries, in particular the poorest and heavily indebted countries, especially in Africa, in their efforts to improve their debt situation in view of their continued very high level of total debt stock and servicing burdens,

Noting the urgent need for full, constructive and expeditious implementation of various debt-relief measures undertaken by creditor countries both within the framework of the Paris Club and through their cancellations and equivalent relief of bilateral official debt,

Noting also that, owing to uneven developments within the context of the evolving international debt strategy, further progress, including new and concrete measures and innovative approaches, is essential as regards contributing to effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, particularly the poorest and heavily indebted countries,

Noting with concern the continuing debt and debt-servicing problems of indebted developing countries as constituting an element adversely affecting their development efforts and economic growth, and stressing the importance of alleviating the onerous debt and debt-service burdens connected with various types of debt of many developing countries, on the basis of an effective, equitable, development-oriented and durable approach and, where appropriate, addressing the full stock of debt of the poorest and most indebted developing countries as a matter of priority,

Noting that multilateral lending operations are excluded from debt restructuring and, in this regard, emphasizing the need for the consideration of comprehensive approaches to assist low-income countries with substantial multilateral debt problems through the flexible implementation of existing instruments and new mechanisms where necessary,

Expressing its concern that, in a number of developing countries that are making continuous and strenuous economic reform efforts, the burden of debt and debt service continues to constitute a major obstacle to the revitalization of the economic growth and development of those countries, in particular the least developed among them,

Noting that those developing countries that have continued, at great cost to themselves, to meet their international debt and debt-service obligations in a timely fashion have done so despite serious external and domestic financial constraints,

Expressing its concern that debt-relief measures taken so far have not yet fully provided effective, equitable, development-oriented and durable solutions to the outstanding debt and debt-servicing problems of a large

number of developing countries, in particular the poorest and heavily indebted countries,

Reaffirming the results, as agreed, of all major United Nations conferences and summits held since the beginning of the 1990s on development, relating to effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, as well as the consideration of appropriate measures relating to the mobilization of substantial, new and additional resources to enable developing countries to achieve sustained economic growth and sustainable development,

Noting, while addressing the external debt and debt-servicing problems of developing countries, the situation in some creditor countries with economies in transition,

Stressing the need for continuing global economic growth and the necessity for a continuing supportive international economic environment with regard to, inter alia, terms of trade, commodity prices, improved market access, trade practices, access to technology, exchange rates and international interest rates, and noting the continued need for resources for sustained economic growth and sustainable development of the developing countries,

Taking note of the results of the Eleventh Conference of Heads of State or Government of the Non-Aligned Countries, held at Cartagena de Indias, Colombia, from 18 to 20 October 1995, in particular, chapter III, entitled "Economic issues", of the Final Document of the Conference,1/

Taking note also of the communiqué of the Summit of the seven major industrialized countries,2/ held at Halifax, Canada, from 15 to 17 June 1995,

Taking note further of the communiqué of the Interim Committee of the Board of Governors of the International Monetary Fund, held at Washington, D.C., on 8 October 1995,

Taking note of the Ministerial Declaration of the Group of 77 3/ adopted at the nineteenth annual meeting of Ministers for Foreign Affairs of the Group of 77 and China, held in New York on 29 September 1995,

1. Takes note of the report of the Secretary-General on the developing country debt situation as of mid-1995; 4/

2. Recognizes that effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries can contribute substantially to the strengthening of the global economy and to the efforts of developing countries to achieve sustained

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1/ A/50/752-S/1995/1035, annex III.

2/ A/50/254-S/1995/501, annex I.

3/ A/50/518, annex.

4/ A/50/379 and Corr.1.

economic growth and sustainable development;

3. Also recognizes that the evolving international debt strategy has to be supplemented by appropriate external financial flows to indebted developing countries;

4. Emphasizes the importance for developing countries of continuing their efforts to promote a favourable environment for attracting foreign investment, thereby promoting economic growth and sustainable development, and stresses the need for the international community to promote a conducive external economic environment through, inter alia, improved market access, stabilization of exchange rates, effective stewardship of international interest rates and increased resource flows, as well as improved access to technology for the developing countries;

5. Stresses the need for finding effective, equitable, development-oriented and durable solutions to the continuing debt and debt-servicing problems of the poorest and most indebted developing countries and the importance of a full, constructive and expeditious implementation of the Naples terms, agreed upon in the Paris Club in December 1994, for such countries, with a view to helping them exit from the rescheduling process on the basis of sound economic policies in those countries, thus contributing to the promotion of their prospects for resuming growth and development;

6. Recognizes the efforts of indebted developing countries in fulfilling their commitments on debt servicing despite the incurring of a high social cost and, in this regard, encourages private creditors and, in particular, commercial banks to continue their initiatives and efforts to address the commercial debt problems of middle-income developing countries;

7. Invites creditor countries, private banks and multilateral financial institutions, within their prerogatives, to consider continuing the initiatives and efforts to address the commercial debt problems of the least developed countries and the requests for continued mobilization of resources through the Debt-reduction Facility of the International Development Association in order to help eligible least developed countries reduce their commercial debt;

8. Notes the high proportion of multilateral debt of a number of developing countries and invites international financial institutions to examine proposals to tackle the problems of those countries with regard to multilateral debt, taking into account the specific situation of each country, while preserving the preferred creditor status of the multilateral financial institutions, in order to ensure that they can continue to provide concessional financing to those developing countries to assist their development;

9. Reaffirms the mid-term global review of the implementation of the Programme of Action for the Least Developed Countries for the 1990s, in particular the appropriate actions in favour of least developed countries concerning their official bilateral, commercial and multilateral debt;

10. Notes with concern the continuing burden of debt and debt-service obligations of middle-income countries, including in particular those in Africa, and encourages creditors, including multilateral financial institutions and commercial banks, to continue to address their obligations effectively;

11. Stresses the importance of continued concessional Enhanced Structural Adjustment Facility lending operations for low-income countries;

12. Also stresses the need for existing facilities to provide debt-relief measures through various debt conversion programmes, where possible, such as debt-equity swaps, debt-for-nature swaps, debt-for-child-development swaps, and other debt-for-development swaps, to be widely implemented so that the countries concerned may be ably assisted in their development efforts, as well as to support measures in favour of the most vulnerable segments of the societies of those countries and to develop techniques of debt conversion applied to social development programmes and projects, in conformity with the priorities of the World Summit for Social Development, held at Copenhagen in March 1995;

13. Further stresses the need for, in addition to debt-relief measures that include debt and debt-service reduction, new financial flows to debtor developing countries, and urges creditor countries and multilateral financial institutions to continue to extend concessional financial assistance, particularly to the least developed countries, in order to support the implementation of economic reforms, stabilization and structural adjustment programmes and the eradication of poverty by the developing countries so as to enable them to extricate themselves from the debt overhang and to assist them in achieving sustained economic growth and sustainable development;

14. Stresses the need for the expeditious conclusion of the ongoing work of the International Monetary Fund, in close collaboration with the World Bank, on the steps to address the problems of those low-income countries that are undertaking strong adjustment and reform programmes but whose debt situation, including debt to multilateral institutions, may prove unsustainable, even after debt reduction on the Naples terms, within this context urging donor countries to fulfil promptly their commitments to the tenth replenishment of the International Development Association and to support a significant replenishment through the eleventh replenishment of the Association, and requests the Secretary-General to report to the General Assembly at its fifty-first session on the outcome of the meeting of the Development Committee scheduled for April 1996;

15. Notes the initiative to develop new, parallel financing arrangements, complementary to the General Arrangements to Borrow, with the aim of doubling the resources currently available under the General Arrangements to Borrow;

16. Recognizes that the evolving debt strategy must be accompanied by a favourable and supportive international environment, including the full implementation of the results of the Uruguay Round of multilateral trade negotiations, and the Marrakesh ministerial decisions in favour of the least developed countries and net food-importing developing countries; 5/

17. Invites the International Monetary Fund to continue devising concrete policy measures and actions to address the problems faced by indebted developing countries;

5/ See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

18. Underscores the need for encouragement of private flows to all countries, in particular developing countries, while reducing the risks of volatility;

19. Stresses the urgent need to continue to provide social safety nets to vulnerable groups most adversely affected by the implementation of economic reform programmes in the debtor countries, in particular low-income groups;

20. Urges the international community, particularly the creditor countries and multilateral institutions, as well as commercial banks and other lending institutions, when continuing the implementation of various measures aimed at contributing to effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries, as well as when exploring the need for additional and innovative measures to alleviate substantially the external debt and debt-service burden of developing countries, to ensure that the debt strategy evolved through the years is fully implemented and taken into account;

21. Recognizes the urgent need for the international community to assist developing countries, in particular the poorest and heavily indebted countries, in mobilizing the resources needed for their development efforts, and also recognizes that effective, equitable, development-oriented and durable solutions to the external debt and debt-servicing problems of developing countries could contribute towards releasing domestic resources and sustaining their development efforts, in particular those for social development;

22. Calls upon the international community, including the relevant institutions, to build upon the momentum gained from the various meetings that have addressed debt issues and to address the external debt and debt-servicing problems of developing countries, particularly those of the least developed countries, in the elaboration of an agenda for development;

23. Also calls upon the international community, including the United Nations system, and invites the Bretton Woods institutions, as well as the private sector, to take urgent measures and action for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits organized since the beginning of the 1990s on development, addressing, inter alia, and where appropriate, the question of external debt;

24. Requests the Secretary-General to report to the General Assembly at its fifty-first session on the implementation of the present resolution.

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[on the report of the Second Committee (A/50/616)]

50/93. Sources for the financing of development

The General Assembly,

Reaffirming the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, contained in the annex to its resolution S-18/3 of 1 May 1990, and the International Development Strategy for the Fourth United Nations Development Decade, contained in the annex to its resolution 45/199 of 21 December 1990,

Recalling its resolution 45/234 of 21 December 1990 on the implementation of the commitments and policies agreed upon in the Declaration,

Recalling also its resolution 48/187 of 21 December 1993, particularly as it relates to the decision to continue to explore the issue of the financing of development and its potential funding sources,

Decides to consider at the fifty-second session of the General Assembly the convening of an international conference on the financing of development, and requests the Secretary-General to submit to it at its fifty-second session a report on substantive areas, including the consideration of aspects of interrelatedness and coordination necessary as a basis for the full consideration of the issue of financing of development and its potential funding sources.

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[on the report of the Second Committee (A/50/617/Add.12)]

50/94. Second Industrial Development Decade for Africa

The General Assembly,

Reaffirming its resolution 49/107 of 19 December 1994 on the programme for the Second Industrial Development Decade for Africa, in which it requested the Secretary-General to report to it at its fiftieth session on the implementation of the resolution,

Reaffirming also in particular paragraph 2 of its resolution 49/107,

Stressing the renewed urgency for promoting industrialization as a key element in the development of developing countries and the important role of the United Nations system, including the United Nations Industrial Development Organization, which is undergoing a process of reform, and recalling the declarations of the Group of 77 on 29 September 1995, 1/ of the Organization of African Unity on 20 October 1995 2/ and of the Non-Aligned Movement on 28 June 1995, 3/ on the essential role of the United Nations Industrial Development Organization in this regard,

Recognizing the need for enhanced cooperation between African countries, the United Nations system and bilateral and multilateral financial institutions, as well as African regional and subregional organizations, in the implementation of the programme for the Second Decade,

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1/ A/50/518, annex, para. 48.

2/ See A/50/752-S/1995/1035, annex V.

3/ See A/50/647, annex II.

Recognizing also the important role of industrialization in promoting sustained economic growth and sustainable development in Africa in the context of the United Nations New Agenda for the Development of Africa in the 1990s, 4/

Recognizing further the importance of intercontinental, interregional, regional and subregional cooperation in the implementation of the programme for the Second Decade,

Noting the far-reaching implications of the fundamental developments in the international environment for development cooperation, including the conclusion of the Uruguay Round of multilateral trade negotiations, and for the implementation of the programme for the Second Decade, as well as the need for concerted national and international action to enable African countries to cope with the challenges posed by, and benefit fully from, the opportunities provided by recent developments in international trade, among other things, and the role of the United Nations Conference on Trade and Development in this regard,

Emphasizing the continuing need for the mobilization of adequate resources through domestic and international initiatives for the implementation of the programme for the Second Decade, including a favourable climate for foreign direct investment, private sector development, small and medium-sized enterprises and enhanced market access,

Recognizing the need for African countries to use both human and financial resources more effectively in the process of industrialization,

Noting with appreciation the various regional and subregional initiatives and meetings that have taken place, including the Conference of African Ministers of Industry, held at Gaborone from 6 to 8 June 1995, and the contribution made by the United Nations Industrial Development Organization in convening and organizing industrial investment forums aimed at the implementation of the programme for the Second Decade,

1. Takes note of the report of the Secretary-General on the implementation of the programme for the Second Industrial Development Decade for Africa (1993-2002); 5/

2. Emphasizes the importance of industrial development cooperation and a positive investment and business climate, at the international, regional, subregional and national levels, in promoting the expansion, diversification and modernization of productive capacities in developing countries;

3. Requests the United Nations system, in particular the United Nations Industrial Development Organization and the Economic Commission for Africa, as well as the Organization of African Unity and all other partners in the development process, to continue to play an active and more effective role in the implementation of the programme for the Second Decade, bearing in mind the undertakings made in this regard in the United Nations New Agenda for the

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4/ Resolution 46/151, annex, sect. II.

5/ A/50/487.

Development of Africa in the 1990s;

4. Encourages African Governments to strengthen national committees for the Second Decade in order to monitor its implementation effectively and to fashion effective policy responses to the challenges and the demands posed and the opportunities offered by changes in the domestic and international environment for industrialization;

5. Emphasizes the continuing need for technical and financial assistance from the United Nations system and from bilateral and multilateral sources to complement the efforts of African countries in achieving the objectives of the Second Decade, as well as the need for African countries to enhance cooperation among themselves in the areas of industrial policy, institutional development, human resources development, technology and investments;

6. Requests the United Nations Industrial Development Organization to facilitate the exchange of information among African Governments on activities carried out nationally in collaboration with the United Nations system and with the support of bilateral and multilateral partners in connection with the implementation of the programme for the Second Decade as a contribution to subsequent reports of the Secretary-General on the implementation of the programme;

7. Calls upon the United Nations Industrial Development Organization, the Economic Commission for Africa and the Organization of African Unity to enhance their assistance and coordinate their activities in human resources development for industry, with a view to improving the competitiveness of the industrial sector in Africa in the light of the globalization of production and the growth of related trade, investment and technology flows;

8. Requests the Secretary-General, in collaboration with all the relevant organizations, funds and programmes of the United Nations system, to take into account the implementation of the programme for the Second Decade when preparing for the mid-term review, in 1996, of the United Nations New Agenda for the Development of Africa in the 1990s;

9. Also requests the Secretary-General to submit to the General Assembly at its fifty-second session a report on the implementation of the present resolution.

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